



February 9, 2001

SENATE BILL No. 176

DIGEST OF SB 176 (Updated February 7, 2001 3:04 PM - DI 87)

Citations Affected: IC 36-1.

Synopsis: Local rainy day funds. Allows a political subdivision to establish a rainy day fund. Provides that a rainy day fund established by a political subdivision consists of the unused and unencumbered balance that is: (1) remaining in a fund consisting of amounts raised by a general or special tax levy on all the taxable property of the political subdivision; and (2) transferred by the political subdivision to the political subdivision's rainy day fund. Limits the amount that may be transferred to the rainy day fund to not more than 10% of the political subdivision's budget for that fiscal year.

Effective: July 1, 2001.

**Kenley, Skillman, Riegsecker,
Broden**

January 8, 2001, read first time and referred to Committee on Governmental and Regulatory Affairs.
February 8, 2001, amended, reported favorably — Do Pass.

SB 176—LS 7155/DI 92+



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February 9, 2001

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

SENATE BILL No. 176

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 36-1-8-5 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2001]: Sec. 5. (a) This section applies to all
3 funds raised by a general or special tax levy on all the taxable property
4 of a political subdivision.
5 (b) Whenever the purposes of a tax levy have been fulfilled and an
6 unused and unencumbered balance remains in the fund, the fiscal body
7 of the political subdivision shall order the balance of that fund to be
8 transferred as follows, unless a statute provides that it be transferred
9 otherwise:
10 (1) Funds of a county, to the general fund **or rainy day fund** of
11 the county, **as provided in section 5.1 of this chapter.**
12 (2) Funds of a municipality, to the general fund **or rainy day**
13 **fund** of the municipality, **as provided in section 5.1 of this**
14 **chapter.**
15 (3) Funds of a township for redemption of poor relief obligations,
16 to the poor relief fund of the township **or rainy day fund of the**
17 **township, as provided in section 5.1 of this chapter.**

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(4) Funds of any other political subdivision, to the general fund **or rainy day fund** of the political subdivision, **but as provided in section 5.1 of this chapter. However**, if the political subdivision is dissolved or does not have a general fund **or rainy day fund**, then to the general fund of each of the units located in the political subdivision in the same proportion that the assessed valuation of the unit bears to the total assessed valuation of the political subdivision.

(c) Whenever an unused and unencumbered balance remains in the civil township fund of a township and a current tax levy for the fund is not needed, the township fiscal body may order any part of the balance of that fund transferred to the debt service fund of the school corporation located in or partly in the township; but if more than one (1) school corporation is located in or partly in the township, then any sum transferred shall be transferred to the debt service fund of each of those school corporations in the same proportion that the part of the assessed valuation of the school corporation in the township bears to the total assessed valuation of the township.

SECTION 2. IC 36-1-8-5.1 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2001]: **Sec. 5.1. (a) A political subdivision may establish a rainy day fund to receive transfers of unused and unencumbered funds under section 5 of this chapter.**

(b) The rainy day fund is subject to the same appropriation process as other funds that receive tax money. Before making an appropriation from the rainy day fund, the fiscal body shall make a finding that the proposed use of the rainy day fund is consistent with the intent of the fund.

(c) In any fiscal year, a political subdivision may transfer not more than ten percent (10%) of the political subdivision's total budget for that fiscal year to the rainy day fund.

(d) The state board of tax commissioners may not reduce the actual or maximum permissible levy of a political subdivision as a result of a balance in the rainy day fund of the political subdivision.

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SENATE MOTION

Mr. President: I move that Senator Skillman be added as second author and Senator Riegsecker be added as coauthor of Senate Bill 176.

KENLEY

SENATE MOTION

Mr. President: I move that Senator Broden be added as coauthor of Senate Bill 176.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Governmental and Regulatory Affairs, to which was referred Senate Bill No. 176, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, line 16, delete "." and insert "**or rainy day fund of the township, as provided in section 5.1 of this chapter.**".

Page 2, between line 27 and 28, begin a new paragraph and insert:
"**(c) In any fiscal year, a political subdivision may transfer not more than ten percent (10%) of the political subdivision's total budget for that fiscal year to the rainy day fund.**".

Page 2, line 28, delete "(c)" and insert "**(d)**".

and when so amended that said bill do pass.

(Reference is to SB 176 as introduced.)

MERRITT, Chairperson

Committee Vote: Yeas 9, Nays 0.

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